

**MINUTES
OF THE
STATE TRANSPORTATION BOARD
STUDY SESSION
9:35 A.M., Thursday, August 7, 2003
Arizona Department of Transportation
Board Room
206 South 17th Avenue
Phoenix, Arizona 85007**

The State Transportation Board met in official session for a study session at 9:35 a.m., Thursday, August 7, 2003, with Chairperson Radicke presiding. Other Board members present included: Vice Chairperson Bill Jeffers, Rusty Gant, Joe Lane, Jim Martin and Si Schorr. Also present were Director Victor Mendez; Debra Brisk, Deputy Director; Bill Higgins, Acting State Engineer; John McGee, Chief Financial Officer, Administrative Services Division; and Sam Maroufkhani. There were approximately 25 people in the audience.

MAG Regional Transportation Plan Update

Eric Anderson updated the Board on the MAG Regional Transportation Hybrid Plan and progress to date on the ½ cent sales tax extension. He said the Transportation Policy Committee will meet on September 17 and are expected to take additional action on the Hybrid Plan based on comments received from the State Transportation Board, the Maricopa County Board of Supervisors and members of the public. A copy of the Draft Plan was submitted for the record. He stated the plan includes a total of \$16.1 billion in transportation improvements, including allocations for cost contingencies. He explained the plan allocates approximately 59 percent of the total regional funds to freeway/highway projects, 31 percent to transit improvements, eight percent to major street projects and the remaining two percent to other regional programs. With regard to the half cent revenue source, he stated 62 percent is dedicated to freeway/highway, 30 percent to transit, eight percent to major streets and less than one percent to other programs. He discussed the various freeway/highway corridor projects included in the plan, stating it represents complete buildout within the existing right-of-way over the next 20 years. He noted the plan also includes \$1 billion for capacity enhancements on I-17 between the ACDC Canal and McDowell Road.

In response to Mr. Jeffers' question, Mr. Anderson stated the new freeways will have interchanges, however, they may not occur every mile. He agreed discussions concerning the I-10 Reliever should include the possibility of a connection to the South Mountain Corridor.

With regard to major streets, Mr. Anderson stated the Hybrid Plan includes funding for a variety of improvements including widening existing streets, improving intersections and constructing new arterial segments. He said the need to smooth traffic flow is also addressed through funding for intelligent transportation systems. He stated the Plan also includes funding for the implementation of a super-grid bus system in the MAG area as well as express bus and rapid transit service intended to compliment the super-grid system. He noted funding has also been identified for bus maintenance and passenger facilities. He said the Plan further identifies

funding for the development of an extensive light rail system in the MAG area, noting, however, it does not direct any regional funding to operating costs for the light rail system. He said the plan provides for continuing development of commuter rail options for the region and other transit services in the MAG area, including the regional van pool program and rural/non-fixed route transit service. He explained the major regional components of the plan include bicycle and pedestrian projects and air quality mitigation projects.

Mr. Anderson reported the plan is currently \$789 million overbudget, noting, however, contingency money totals almost \$1.4 billion. He said \$410 million in ADOT discretionary money was also set aside for unforeseen projects. He stated, therefore, the Transportation Policy Committee may look to determine if the contingencies can be reduced. He noted they are also reviewing updated cost estimates on the Loop 303 and South Mountain Corridor.

Mr. Jeffers asked if the \$660 million identified for pavement preservation is adequate. Mr. Anderson explained the plan assumes a 10 percent increase over the current subprogram allocation of \$30 million per year.

Mr. Anderson explained that, should the half-cent sales tax extension not pass, the hybrid plan would no longer be viable. He said, while a contingency plan has not been developed, doing so would not be too costly given the work that has already been done to create the hybrid plan.

Mr. Anderson stated they are remodeling all of the projects in the plan and will identify a series of system and project level performance measures. He said they are also working on a phasing program. He explained they are striving to turn the plan over for air quality analysis at the end of September.

Hoover Dam Financial Debriefing

John McGee presented a financial debriefing and overview of the funding agreement being proposed between Arizona & Nevada to cover the remaining dollars needed for the Hoover Dam Bridge Project. He explained \$123.5 million of the \$138 million in available funding has already been obligated and the project is currently short approximately \$93 million. He stated their goal is to seek full funding of remaining monies from USDOT, but their options at this point are to delay building the bridge until the remaining funding is accumulated or, assuming states receive reasonable assurance of full funding in future years, keep the construction of the bridge on schedule by issuing GANs. He explained Section 357 of the 2003 DOT Appropriations Act directs the Secretary of Transportation to enter into an agreement with Nevada and Arizona to provide a method of funding for construction of a Hoover Dam Bypass Bridge from funds allocated for the Federal Lands Highway Program. He stated the agreement will provide for funding in a manner consistent with the advance construction and debt instrument financing procedures for Federal-aid Highways. He said eligibility for funding will not be construed as a commitment guarantee or obligation on the part of the United States and the provisions of the section do not limit the use of other available funds for which the project is eligible.

Mr. McGee reviewed the cooperative agreement currently being considered by Nevada and Arizona. He said the agreement contains an affirmation of intent by USDOT to fund \$125

million for remaining costs of construction plus interest and issuance costs for GANs. He stated funding will come from any lawfully available federal program, would be over and above any formula funding Arizona and Nevada would otherwise receive, would be allocated to the states at the rate of \$12.5 million per year for 10 years, and would be subject to Congressional appropriations. He explained, under the agreement, agreed upon funding under the Cooperative Agreement could not be construed as a “guarantee” of the US Government and Arizona, Nevada and the USDOT would continue in good faith to do all things necessary to complete the bridge in a timely manner. He stated the cover letter and draft Cooperative Agreement will be signed by the Governors of Arizona and Nevada and, once signed, will be forwarded to USDOT. He explained a positive response would likely lead to some level of negotiations, which, if successful, would ultimately result in Arizona and Nevada issuing approximately \$50 million in GANs. He said the bridge project would then be let and construction would begin.

In response to a member’s question, Mr. McGee explained they would likely have to go back to USDOT and reconsider the agreement if cost overruns occur.

Mr. Schorr asked if any funding is available under the provisions of Homeland Security. Mr. McGee said they approached their Congressional Delegation, but were unsuccessful in getting the project included under Homeland Security.

Chairperson Radicke asked how long they have to resolve the issue before it begins to impede the project. Mr. Mendez said the bridge design will be completed in October or November and the money will have to be available by December to proceed with the bid as planned. Mr. McGee pointed out, by federal law, they are not allowed to issue an amount in excess of projected costs. Mr. Mendez noted contingencies have been built into the estimates.

The meeting recessed for a short break.

MAG Freeway Maintenance Resolution

Tom Remas presented an overview of a proposed Resolution between MAG and the State Transportation Board regarding state and regional maintenance funding. He explained the Transportation Policy Committee felt maintenance funding was such a vital issue that it established a maintenance stakeholders group comprised of Transportation Policy Committee members, a representative from the State Transportation Board, and representatives from Legislative Staff, the Governor’s Office and JOVC. He stated the group met in April and May 2003 and decided maintenance could not be fixed with a one-step approach. He said, therefore, they asked MAG staff to draft a joint resolution so that the ADOT Board and MAG Regional Council could work together to address the issue. He reviewed components of the resolution, a copy of which was submitted for the record. He asked the Board for its support of the resolution.

In response to Chairperson Radicke’s question, a representative from MAG, explained the \$354 million set aside in the hybrid plan was determined based on \$60,000 per center-line mile of freeway and is targeted for landscape maintenance, litter control and freeway sweeping. He explained the money allows the \$7 million previously directed towards those components to go toward other important maintenance issues within the region.

Mr. Mendez stated ADOT staff was involved in the meetings and had a lot of input into the crafting of language.

Mr. Gant reported cities along the freeways are getting upset about litter. He stated there appears to be a disconnect between the level of funding and the number of miles to be maintained. He explained the department is directing the majority of its money toward safety related issues, including barriers and repairs. He said, while they are not seeking approval at this time, now is the time to bring forward any comments or concerns with the resolution.

Mr. Mendez said the simple solution to address the statewide issue would be to fund maintenance at an adequate level, however, it is a budget issue. If successful, he cautioned against suballocating to a level that eliminates flexibility and discretion.

South Mountain Corridor

Floyd Roehrich, Project Manager, South Mountain Corridor Study, discussed growth in the region since 1955 and projected growth through 2040. He stated the current regional plan and the improvements included in the plan result in a 22 percent shortfall in terms of accommodating traffic demand. He discussed the approximate travel times projected in the year 2025, both with and without the South Mountain Corridor. He said the 30 original western alignments identified during the study were subsequently reduced to nine and, after further deliberation, study and public input, ultimately narrowed to three. He stated they have held monthly meetings with the Gila River Indian Community for the past year and have received an agreement from their Governor and Lieutenant Governor indicating they concur with the Department's studied alignments on the Gila River Indian Community. He said they are currently in the process of working with the individual districts to develop alternatives, noting three alternatives south of Pecos Road have been proposed. He stated they are developing a project video that outlines the purpose, need and benefits of the corridor for their use within the community. He reported a significant amount of opposition to the Pecos Road alternative, explaining it would have definite impacts to South Mountain Park.

Mr. Jeffers asked if additional right-of-way would have to be purchased if a Gila River Indian Community alignment is ultimately chosen. Mr. Roehrich said, while the Indian Community will retain ownership of the land, the department will purchase an easement for the freeway. He said the question is whether the state will pay individual allottees or the Indian Community itself for the easements.

Mr. Roehrich stated coordination with the Gila River Indian Community is their highest priority activity at this point. He said they are also holding Citizen Advisory Team meetings once a month and proceeding with a technical study to analyze the three western alignments. He said they continue to coordinate with west valley cities, specifically, Avondale and Tolleson, and are prepared to begin holding public meetings with regard to the western alignment. He stated the environmental impact statement is anticipated for completion in the Fall 2004, with a decision and completed document by late Summer 2005. He noted they are four to six months away from identifying alternatives on the Gila River Indian Community, which will then be subject to a

screening process and alternative analysis. He said, therefore, the original completion date of Summer 2005 will likely not be met.

Mr. Jeffers asked if any consideration has been given to expanding the corridor further west. Mr. Roehrich said the study did not address expanding further to the west, however, now that a reliever route has been identified on the regional plan, discussions will begin and a decision could be made in the timeframe during which the Gila River Indian Community is making their decision.

The meeting recessed for a short break.

TEA-21 Reauthorization Update and Status

Mr. Biesty reported he met with Chairman Radicke and Congressman Remze to discuss transportation priorities within the state. He stated Congressman Remze informed them that he put a list of projects in under the Appropriations bill and another list under TEA-21, including the US 60/Gonzales Pass. He said Congressman Remze also expressed great interest in widening the section of SR 70 between Globe and San Carlos and helping with Hoover Dam.

Ms. Colleran updated the Board on the status of the TEA-21 Reauthorization. With regard to Aviation Reauthorization, she reported the Conference Committee met and agreed on a final conference report, however, a number of Democrats are upset about a portion of the bill that would privatize air traffic controllers. She stated that once a report has been accepted, there are a limited number of ways it can be changed. She explained that they could vote to recommit, returning the issue to Conference Committee, or, more likely, they could filibuster. She submitted a document highlighting specific sections of the Conference Report.

Ms. Colleran reported there has been little progress in terms of Transportation Reauthorization. She said the Environment and Public Works and House Transportation Infrastructure Committees have committed to introducing bills in September. She noted AASHTO has resurfaced a proposal, adding a two year trigger allowing the bill to be reopened after two years to deal with the issue of indexing and increasing gas taxes. She said the proposal also includes a bonding proposal, however, the Secretary of the Treasury has strongly criticized bonding and has talked about a Presidential veto if bonding is included in the legislation.

With regard to the FY 2004 Appropriations, Ms. Colleran stated the House full committee markup has been completed and sets the highway obligation limitation at \$33.8 billion. She said the markup also included a provision to eliminate the 10 percent mandated set-aside for enhancements, however, allows the states to fund enhancements at their discretion. She said the markup will be sent to the House for a floor debate, noting the Senate indicated they will move the bill in September.

Adjournment

No closing comments were made.

Board Action: A motion to adjourn was made, seconded and passed unanimously.

The meeting adjourned at 12:15 p.m.

Ingo Radicke, Chairperson
State Transportation Board

Victor Mendez, ADOT Director
Arizona Department of Transportation